



OFFICE OF  
**INSPECTOR  
GENERAL**  
UNITED STATES POSTAL SERVICE

# HIGHLIGHTS

September 19, 2012

## Land Optimization – Central Illinois District

Report Number DA-AR-12-001

### **BACKGROUND:**

The U.S. Postal Service is one of the largest real estate owners in the U.S. It owns more than 8,600 facilities on more than 950 million square feet (SF) of land, with the Central Illinois District owning 156 facilities with over 20 million SF of land. The Postal Service maintains this land space at facilities to accommodate operations and provide customers and employees with parking space. There have been significant reductions in mail volume and employee staffing in recent years. From fiscal years 2007 to 2010, mail volume in the Central Illinois District decreased 17 percent. The Postal Service is attempting to optimize and dispose of excess facilities.

Through optimization efforts, the Postal Service has the ability to reduce excess real property by selling property, leasing Postal Service-owned property, and subleasing or reassigning leased property. The Postal Service can also use these options to optimize land space. Our objective was to identify opportunities for the Postal Service to optimize existing land to align with the current operating environment.

### **WHAT THE OIG FOUND:**

The Postal Service can improve the process for identifying and disposing of excess land space. We identified 4,892,583 SF of excess land space (or 49 percent of the total square footage) at the sites visited. We attributed this excess to 10 Postal Service-owned properties that have space in excess of what is needed based on current staffing and mail volume. By selling the identified excess land space, the Postal Service has a one-time opportunity to realize at least \$42,337,385 of increased revenue in the Central Illinois District.

### **WHAT THE OIG RECOMMENDED:**

We recommended that management initiate actions to sell properties that are not needed in the Central Illinois District, review and update policies regarding land space to reflect current operational needs, and establish a program for regularly reviewing exterior land space at Postal Service facilities in the Central Illinois District.